

SENATE BILL 1202

By Yager

AN ACT to amend Chapter 91 of the Private Acts of 2008; and any other acts amendatory thereto, relative to a privilege tax on restaurants in the city of Jellico.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Until July 1, 2031, the city of Jellico is authorized, after notice and public hearing, to levy by ordinance adopted by a two-thirds (2/3) vote of its legislative body, in addition to all other taxes, a privilege tax not to exceed two percent (2%) of the consideration charged by restaurants located in such municipality, as defined in the ordinance levying such tax, which restaurants are engaged in the business of selling prepared food and which restaurants made total sales to consumers in this state of two hundred thousand dollars (\$200,000) or more during the previous twelve-month period. Adequate public notice of the hearing and the matters to be discussed, including the proposed imposition of the privilege tax, must be given by publication in a newspaper of general circulation in the municipality. The public must have not less than thirty (30) days to comment on the levying of the tax after notice is published and before the public hearing. The ordinance shall provide for the collection, payment, administration, and enforcement of such tax in the same manner as other taxes levied in the municipality and shall further provide for the disbursement of revenue collected from such tax. Such tax so levied is a privilege tax upon the purchase of such food. This act shall not apply to food prepared to be served at churches, schools, senior citizen centers, nursing homes, and at boarding houses where the cost of food is included in the rental rate. All proceeds received by the municipality from the tax shall be used for the payment of debt service incurred by the municipality for capital outlay purposes.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the

act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared severable.

SECTION 3. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of the city of Jellico. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified to the Secretary of State.

SECTION 4. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 3.